

2000/2001 INTER-DISTRICT PROJECT SOLICITATION
THE CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT
PROGRAM

California Air Resources Board
December 2001

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I. BACKGROUND

Over 1.2 million diesel engines operate in California. Diesel engines emit significant quantities of pollutants that form smog, as well as carcinogenic compounds. A prominent study concluded that diesel particulate matter (PM) is responsible for over 70 percent of the cancer risk from identified toxic air contaminants in the South Coast air basin. Most control strategies depend on fleet turnover to achieve emission reductions from mobile sources over the course of time. However, diesel engines are very durable and can operate for 20 years or more, making fleet turnover an uncertain emission control strategy.

Near-term emission reductions from heavy-duty diesel engines are critical to achieving air quality goals. The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) aims to reduce emissions from heavy-duty diesel engines, resulting in real, quantifiable, and enforceable near-term emission reductions that are extremely cost-effective. The Carl Moyer Program was created in an effort to help California meet its air quality obligations under the State Implementation Plan (SIP), a federally enforceable clean air plan. The program provides grants for the additional capital cost of vehicles and equipment that are cleaner than required.

The participating air districts administer the program locally according to specific district needs and following the Carl Moyer Guidelines. Most participating districts require a high percentage of a project's operation to take place within district boundaries. Hence, it is difficult for projects that cross air district boundaries to fit into each air district's local criteria. Section 44286 of the Health and Safety Code gives the Air Resources Board (ARB) the authority to reserve up to ten percent of the program's funding for inter-district projects. The Inter-District Project Solicitation is directed to applicants operating heavy-duty diesel on-road vehicles or engines, locomotives, or marine vessels in more than one air district. ARB seeks cost-effective projects, which operate at least 30% of the time or miles outside their primary district of operation (within California). These projects will be directly funded and administered by ARB.

Not all types of projects eligible for Carl Moyer Program funds qualify as inter-district projects. This solicitation is directed only to locomotives, marine vessels, on-road vehicles, and auxiliary power units (APUs) on heavy-duty on-road trucks. Auxiliary power units (APUs) are self-contained power generating devices, typically packaged with a small internal combustion engine, of 20 horsepower or less, that can be coupled with a generator and heat exchanger to generate electricity and heat. This will allow the truck operator to refrain from idling the truck's main engine for a significant period of time. The Carl Moyer Program can provide incentives to reduce emissions from truck idling by encouraging the purchase and installation of alternative idling reduction technologies. The Carl Moyer Program provides up to \$1,500 for the installation of an APU.

II. TYPES OF ELIGIBLE PROJECTS

All eligible projects must comply with the Carl Moyer Program Guidelines, approved on November 16, 2000, and the specific requirements of this solicitation. All required information must be provided in the category applications, and the applicant must sign the application. Proposals not meeting the minimal requirements will be considered non-responsive and will not receive further consideration.

The Carl Moyer Program Inter-District Solicitation is limited to three categories: marine vessels, locomotives, and on-road vehicles, including APUs for on-road vehicles. Applicants cannot receive funding from any other incentive program for projects funded by the Carl Moyer Program Inter-District Project.

III. AVAILABLE FUNDING

Section 44286 of the Health and Safety Code gives ARB the authority to reserve up to ten percent of the program's funding for inter-district projects. ARB has set aside a maximum of \$501,750 available for the inter-district projects. These funds specifically target projects that qualify for the Carl Moyer Program and significantly impact at least two air districts. In order to ensure that each category receives consideration for funds, no category may receive more than 75 percent of the total inter-district project funds.

IV. DEFINITIONS

The following definitions will apply to the terms used to describe the requirements outlined under the Inter-District Project Solicitation of the Carl Moyer Program:

1. District - Air pollution control or air quality management district.
2. Incremental Cost - The difference in cost between the lower emission engine and the baseline engine. Please see guidelines for category details.
3. Inter-district project – Cost-effective, Carl Moyer Program qualifying projects, which operate at least 30% of the fuel or miles beyond their home district area (within California).
4. Qualifying Project - Vehicle and/or equipment meeting all Carl Moyer Program Guideline criteria as approved November 16, 2000.
5. Applicant – The legal entity must own and control the equipment for which the Carl Moyer program Inter-District Project Grant is being requested. The applicant may be an individual, a partnership, a corporation, a cooperative, or any other legal entity that is directly responsible for equipment purchase and operation. Anyone who owns 20 percent or more of the applicant business is

considered to be an applicant principal. All applicant principals must provide financial disclosure. The applicant must designate a lead grant person who shall be the main contact for the proposal. The lead grant person must have the legal authority to submit progress report and sign legal documentation on behalf of the entire applicant principals. The applicant must be registered owner of an engine or vehicle operating over 90% of fuel consumption or miles within California. No third party applications will be accepted. Applicants must be authorized to do business in the State of California and be in good tax standing with the California Franchise Tax Board.

6. Primary District - Air district containing applicants' headquarters, main operating station, or depot, or air district in which vehicle/engine operates the largest portion of time.

V. APPLICATION REQUIREMENTS

All projects shall meet criteria of the current Carl Moyer Program Guidelines, approved November 16, 2000. The following is a description of the minimum information an applicant must submit to be considered for project funding.

- ? The applicant shall provide ARB with the applicant's name, address, phone number, and contact person information, using the application forms (Appendix A-B.)
- ? Each Project description shall contain the following:
 1. Company Name
 2. Address - location of vehicle/equipment
 3. Air Districts in which vehicle/equipment operates
 4. Amount of time/mileage operating in each district
 5. Description of equipment/vehicle operation
 6. Project Description: (Category Type, Engine Function, Vehicle Class)
 7. NOx Reduction Incremental Cost Effectiveness Analysis Based on *(Mileage/Fuel/Hours of Operation)*
 8. VIN/ or Serial Number
 9. Repower/Retrofit/New
 10. Gross Vehicle Weight Rating (lbs.)
 11. Percent Operation in California
 12. Annual Diesel Gallons Used (documentation required)
 13. Annual Miles Traveled in each district
 14. Hours of Operation in each district
 15. Estimated Life of vehicle (years)
 16. Old Horsepower Rating
 17. Old Engine Make
 18. Old Engine Model
 19. Old Engine Year

20. New Horsepower Rating
21. New Engine Make
22. New Engine Model
23. New Engine Year
24. New Fuel Type
25. Base NOx standard (g/mi.)
26. Cost (\$): of the Base NOx Emission Standard engine
27. New NOx standard (g/mi.)
28. Cost (\$): of Certified LEV Emission Standard engine
29. Conversion Factor Used
30. District Incentive Grant Amount

VI. APPLICATION PROCESS

Applications will be initially screened to determine that (1) the projects will reduce emissions in more than one air district, (2) the cost effectiveness will be no more than \$13,000 per NOx ton reduced, (3) technology has been certified/verified by ARB and is commercially available, and (4) application is complete.

All applications must be received by ARB **no later than 4:00 PM February 15, 2002**. For further assistance, please contact Ms. Rosalva Tapia, Air Pollution Specialist, at (916) 322-6973 or Ms. Erin Dooley, Air Pollution Specialist, at (916) 323-8975.

A. Project Evaluations and Scoring

The ARB will conduct an evaluation of each qualifying project based on application completion, geographic emission reduction impacts, emission reductions, project schedule, and cost effectiveness. The maximum score is 100 points. Qualifying projects with the highest overall score will be funded. Successful applicants will be required to sign a legally binding grant agreement.

B. Evaluation and Scoring Guidelines

- ? Significant Impact in 2 or more air districts - (maximum 10 points) – Projects will be evaluated to determine the number of air districts in which the vehicles/equipment will operate. Beyond the minimum two districts, proposals will receive three points for each district with one million or more in population in which the equipment operates; and two points for each district with less than one million in population in which the vehicle operates. Maximum of ten points will be awarded in this category.
- ? Administration and Evaluation Plan - (maximum 10 points) - Projects that contain all the information required under the Application

Requirements, and information is provided in a clear and concise manner.

- ? Significant Emission Reduction - (maximum 20 points) - Projects will be evaluated for emission reductions and points are awarded as indicated below. All projects must achieve at least a 15 percent reduction in emissions.

<u>Emission Reduction</u> <u>Percentage</u>	<u>Points Awarded</u>
>15% NOx reduction	10 points
>25% NOx reduction	15 points
>30% NOx reduction	20 points

- ? Cost effectiveness - (maximum 30 points) - Projects will be evaluated on cost-effectiveness of NOx emission reductions according to the following chart:

<u>Cost-Effectiveness</u> <u>Range</u>	<u>Points Awarded</u>
\$13,000 - \$10,000	7 points
\$ 9,999 - \$ 6,000	14 points
\$ 5,999 - \$ 3,000	21 points
Less than \$ 2,999	30 points

- ? Emission-Impacted – (maximum 20 points) – Project will be evaluated on ability to benefit low-income communities and communities of color that are disproportionately impacted by air pollution.
- ? Project Schedule - (maximum 10 points) - Projects will be evaluated on the ability to complete the engine/vehicle installation in a timely manner. ARB is seeking projects which will be implemented as soon as possible. Engine replacement is completed when the new/repowered engine/vehicle begins operation, and applicant submits invoice for hardware and installation to the ARB.

<u>Engine Completion</u>	<u>Points Awarded</u>
April 2002 – June 2002	10 points
July 2002 - March 2003	5 points

VII. MONITORING AND REPORTING REQUIREMENTS

- ? Applicants must monitor and maintain data for the life of the project (at least 5 years).
- ? Project awardees must submit an annual report to ARB for each project funded for 5 years. The report shall contain appropriate documentation, such as fuel receipts or hour meter reading confirming the usage during the project life. Applicants must, in written form, inform ARB of any change of ownership or disruption in project operation, which will cause the engine to increase hours/mileage of operation from reported amount. ARB reserves the right to inspect all funded projects with a minimum of 48-hour notice.

VIII. DISBURSEMENT OF FUNDS

Project awards will be made through a grant agreement between the ARB and the grantee. Once the grant award has been fully executed by both parties, payment will be made through a grant disbursement. Grantees may request disbursement of funds upon completion of equipment installation, and submittal of appropriate invoices and a signed Grant Disbursement form to ARB's project manager.

IX. CONTACT PERSON

Please contact Rosalva Tapia for general program issues relating to this grant. Correspondence regarding program issues should be directed to:

Ms. Rosalva Tapia
Mobile Source Control Division, North
Air Resources Board
P.O. Box 2815
Sacramento, CA 95812
Phone: (916) 322-6973